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Kleindienst has a reserved seat at Senate hearings.

Flanigan Tied to ITT Case

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Nixon Aide Hired Adviser On Settlement

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The controversy over whether a multibillion-dollar Justice Department antitrust settlement was linked to a subsidy for the Republican National Convention reached into the White House yesterday. It was learned that the settlement was based on the recommendations of an outside consultant recruited by a presidential aide.

Richard J. Ramsden, 34, a New York investment banker, said he was hired through White House assistant Peter Flanigan to advise the Antitrust Division of the Justice Department on how to settle pending cases against the International Telephone and Telegraph Corp.

Ramsden said in a telephone interview that it was "very logical" for Flanigan to have been consulted, because he had prepared a similar report a year earlier while working as a White House Fellow under Flanigan.

But democrats on the Senate Judiciary Committee said they would push to have Ramsden testify at continuing hearings concerning the nomination of Richard G. Kleindienst as Attorney General.

Richard W. McLaren, a federal judge in Chicago who formerly served as chief of the Antitrust Division, testified last week that he did not recall talking with Flanigan or anyone else in the White House about the ITT settlement.

McLaren has insisted under oath that he was personally responsible for working out all final details of the antitrust case and that the settlement had no connection with the conglomerate's pledge to contribute to the GOP convention in San Diego, Calif.

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ITT, From A1

Meanwhile, FBI agents waited outside a Denver hospital room to serve a Senate subpoena on an ITT lobbyist who is considered an essential witness at the Kleindienst hearings.

The lobbyist, Dita D. Beard, 53 linked the ITT, antitrust settlement to the convention contribution in a confidential memorandum first published last week by syndicated columnist Jack Anderson.

The agents were blocked in their efforts to serve the subpoena because the Denver Osteopathic Hospital said Mrs. Beard was in serious condition in its coronary care unit and was not permitted to have visitors.

She was admitted to the hospital Friday night, a Denver doctor told reporters, after having "trouble" during a flight west from Washington on Thursday.

"We are trying to prevent a coronary thrombosis," said Dr. Dave T. Garland, an osteopathic physician.

A Justice Department source said the FBI agents would remain indefinitely at the hospital in Denver, "in case they try to move her."

Justice Department officials, including Kleindienst, have agreed with members of the Judiciary Committee that Mrs. Beard's testimony on the ITT case is mandatory before the acting Attorney General can be confirmed for the cabinet post.

The revelation of Ramsden's links to Flanigan, however, injected a new element into the controversy over the ITT case.

Senate sources said the Judiciary Committee may try to call Flanigan to testify if that becomes necessary to establish all the facts about the ITT settlement and GOP convention contribution.

Such a move could provoke a major political and legal confrontation, because the White House has previously invoked executive privilege each time presidential advisers have been called to testify before congressional committees.

Committee Chairman James O. Eastland, reached at his Mississippi home, said last night that "The committee has a right to call Ramsden and Flanigan.

"I don't know whether executive privilege would apply or not" in the case of Flanigan, Eastland added. He said he would consult with other committee members about the matter on his return to Washington Monday.

The Kleindienst hearings are sheduled to resume Tuesday morning. Asked when they might conclude, Eastland said, "Good God, I don't know."

In preparation for the new sessions on the ITT case, aides to Sen. Edward M. Kennedy (D-Mass.) spent yesterday at the Justice Department reading the court records in several antitrust suits against ITT which have been raised during the hearings.

The Justice Department has provisionally denied them access, however, to internal memoranda, submitted to the Attorney General by the Antitrust Division explaining the basis for decisions in each case. The department pledged Friday to review the memoranda to determine whether they could be released.

Back on the witness stand Tuesday will be Kleindienst, McLaren and Felix G. Rohatyn, the ITT director with whom Kleindienst has acknowledged holding five meetings last year to discuss the ITT settlement.

Although he earlier wrote Democratic National Chairman Lawrence O'Brien that the ITT negotiations were handled "exclusively" by McLaren, Kleindienst testified last week that he "set into motion a series of events leading to consideration of ITT's argument that it should be permitted to retain the Hartford Fire Insurance Co.

That "series of events" included a meeting in Kleindienst's office last April 29, at which McLaren and his staff listened to an argument of "financial hardship" from Rohatyn and other ITT officials.

After the meeting, McLaren testified last week, he called for an evaluation of ITT's case from the Treasury Department and from Ramsden.

The former chief of the Antitrust Division said he thought that Ramsden had been recommended either by the Treasury or by Flanigan.

Ramsden said yesterday, however, that he never had any contact directly with McLaren and dealt exclusively with Flanigan. Ransden and Flanigan previously worked together at the New York brokerage firm of Dillon, Read and Co.